Medicine Hat The Gas City

Alberta's Top 35 Employers 2008

MEDIA RELEASE

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FOR IMMEDIATE RELEASE
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GAS CUSTOMERS RECEIVE NATURAL GAS REFUND FOR 2007

Average refund approximately $30

Medicine Hat – Current City of Medicine Hat Gas Utility customers will receive a partial refund of their 2007 natural gas consumption on the next customer bill beginning in May 2008.

Current customers, who were Gas Utility customers in 2007, will be refunded $0.245 per gigajoule (GJ) for natural gas consumed in 2007. The impact to a customer who used approximately 125 GJs in 2007 is a refund of approximately $30.

"The City of Medicine Hat provides a stable annual price for natural gas to its customers to avoid the market volatility that is experienced in the rest of Alberta," says Alderman Graham Kelly, Chair of the Energy Committee.

City Council set the 2007 natural gas price at $6.82 per GJ based on a forecasted market price for natural gas. However, the actual market value of gas in 2007 was $6.58 per GJ – a difference of $0.245 per GJ.

"We will be refunding Gas Utility customers the difference of 24.5 cents per gigajoule," says Gerry Labas, Energy Division Commissioner. "Natural gas rates in Medicine Hat and the rest of Alberta are designed to reflect the actual market price of gas similar to the rest of Alberta.

"To ensure the actual market price of gas has been charged to customers, the City of Medicine Hat Gas Utility must provide an adjustment to its customers. In other words, our policy is at the end of the year we will refund or collect the difference between the commodity price charged to the customer versus the actual commodity price in the marketplace," adds Labas.

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Attachment: Graph comparing the weighted average market price of gas versus the City of Medicine Hat Council approved rate for 2007.

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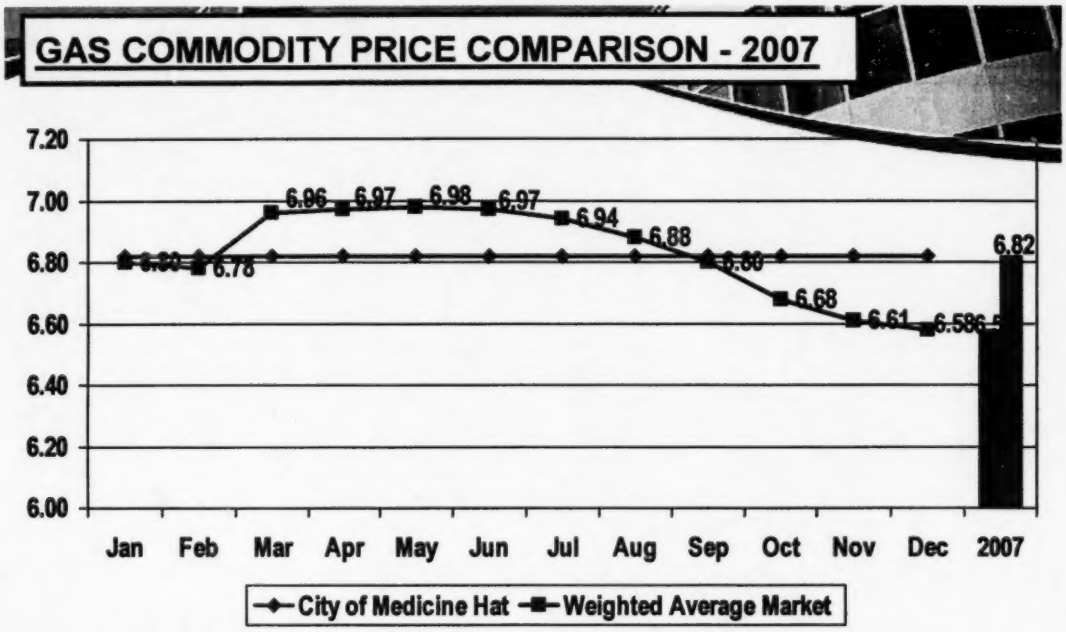
Weighted Average Market Price of Natural Gas Versus City of Medicine Hat Council Approved Rate for 2007



- CMH is Council approved commodity rate based on forecast for 2007
- Market – weighted average price of the gas month over month including storage

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